

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314

DATE: May 2015 **LETTER NO.:** 15-CU-03

TO: Federally Insured Credit Unions

SUBJ: Taxi Medallion Lending Questions and Answers

ENCL: [Frequently Asked Questions about Taxi Medallion Lending Supervisory Guidance](#)

Dear Board of Directors and Chief Executive Officer:

If your credit union originates or participates in taxi medallion loans—or if you may consider entering this line of business—please read this letter and its enclosures.

Taxi medallion lending provides valuable services to diverse populations. However, taxi medallion lending also carries unique risks.

In April 2014, NCUA's Letter to Credit Unions (14-CU-06) enclosed supervisory guidance to examiners evaluating credit unions engaged in [Taxi Medallion Lending](#).

Since NCUA issued its supervisory guidance, we have received questions about suggested financial reporting of taxi medallion loans, methods for valuing taxi medallions, and influences on the value of the medallions as collateral.

In order to clarify examination expectations, NCUA has prepared answers to these questions in the new attached document, which will be added as an addendum to the Taxi Medallion Lending Supervisory Letter. The responses add further clarification of concepts discussed in the April 2014 supervisory letter and emphasize that the risk-management practices outlined in the supervisory letter are consistent with the requirements of NCUA Rules and Regulations Part 723. These practices are widely employed by commercial lenders to manage loan risks.

I encourage you to review this FAQ and contact your regional office or state supervisory authority if you have any questions on this subject.

Sincerely,

/s/

Debbie Matz
Chairman